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The Prices of Today

By J. S. CRUTCHFIELD

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THE tremendous agitation, excitement and anger with reference to present day prices of labor and food, particularly, does not indicate a high degree of capacity on the part of the government, capital or labor to deal wisely with this problem which must, of necessity, now be most complicated.

The whole price structure on all commodities and labor has been destroyed by the war and we must patiently, by slow and painful process, build a new and better foundation for a price structure which must stand the most violent storms conceivable.

"Necessity is the mother of invention." "What can't be cured must be endured."

The chaotic condition of trade and of all human affairs demands the exhibition of the highest degree of composure, skill, intelligence and resourcefulness of all elements of society, and a recognition of the unity of the human family in all of its inter-relationships.

PRICES IN NORMAL TIMES

Under normal conditions there are periods of years when prices favor the consumer. The producer, in such periods, frequently sells his products at less than cost of production. These conditions prevailed for several years culminating in 1896. At that time, in perishable foods, prices were far below cost of production. No. 1 apples sold in the market for \$1.00 per barrel; potatoes, 25 cents per bushel. This

was the consumers' inning but he did not feel especially favored.

Naturally, the above conditions had a tendency to discourage production in the lines affected and as a natural sequence such periods were followed by seasons of shorter production and higher prices.

The Law of Averages

Those producers who are sensible enough to keep up the same acreage, year after year, in the line of production to which their soil and climate are best adapted begin to profit at the expense of the vacillating type of farmer who fluctuates his acreage, trying to hit the high market.

The natural reaction of increased price is to increase production and decrease or shift the demand, and normally the scales go up and down within the five-year period, or certainly the decade period, turning out a *fair average* profit to the producer and a *fair average cost of living* to the consumer.

While the large mass of producers and consumers find price fluctuations a great hardship, even though the average price over a five-year period may be reasonably fair to each, such price fluctuations seems to be unavoidable. Weather conditions, however, make impossible, especially in the line of fresh fruits and vegetables, the avoidance of quite sudden and sharp fluctuations in supply and demand and, consequently, in price. The extensive use of cold and dry storage, the stand-

ardization of grades and packages, the organization of producers and consumers all tend toward stabilization of prices and benefit both producer and consumer. Certainly, every possible and practicable means should be used to stabilize the market for the protection of both producer and consumer. These fluctuations train the human race to a certain amount of foresightedness and prudence in the conduct of their lives.

PRICES IN ABNORMAL TIMES

All of the above refers to a *normal* fluctuation of prices and profits and consumer costs in *normal* times, whereas what we face today is the most abnormal time in the history of the human race—a time of great scarcity of production and great need of production; a time when the whole economic life of the world has been turned upside down; a time when new standards and new ideas must be adopted to meet such a changed condition. No one knows and no one can know what the right basis of price or wage is, and it will take several years to ascertain this; meanwhile, it is not altogether undesirable that these matters be the subject of the most intense thought, discussion, and dickering, between so-called capital and labor—producer and consumer.

The next decade is bound to be a period of adaptation and adjustment in all of these matters, and it ought to be an opportunity for great beneficial changes. The very thing that we are crying about may prove really a blessing in disguise, and not in very much of a disguise either to persons who will think deeply on the subject and act wisely.

Need for Experiment

The only thing that will cure some of the ills of the human race today, that is, ills of mind especially, is a little experimenting. So far as the *United States* is concerned, it never was in better shape to stand a little experimenting.

We have a safe and sane *majority* that are not going to allow anything *very bad* to prevail *very long*. That portion of the population who insist upon trying some new doctrines might well be given the opportunity now in order to show up the fallacy of the false doctrines and to get back, in a reasonable length of time to—not the old standard—but to a much higher plane of living and of doing business.

A high price and wage level and a more stabilized market is the only possible thing that will stimulate production quickly enough to save the world from actual want or starvation.

Effect of High Prices on Foodstuffs

In the *Journal of Commerce* of March 23, 1920, Italian Premier Nitte is quoted as saying: "More than three hundred million workers have ceased producing the necessities of life throughout the world." The present high range of price is the only thing that will force people, who are now in non-productive enterprises, into actual food production. The only way to help the clerks, as a class, is to thin them out. A lot of able-bodied clerks should be in more productive lines. More city dwellers should be living in the country or suburban districts where they can become producers. Nothing is going to bring about this needed reform in the life of a nation excepting the force and pressure of high priced foodstuffs.

Another very practical thought which should be immediately considered by the real sufferers and complainants: the present high range of prices on many foods is the only thing that will *force* people to study actual food values and to change their diets, utilizing those more plentiful food-stuffs which can be produced and bought more cheaply. At this time the wise provider and the intelligent buyer can actually live for one-fourth to one-half the cost of the improvident and unwise, and live almost as well. A study of the whole subject of food values, and dietetics in general, is greatly needed.

There is no up-to-date farmer today who does not understand how to feed his hogs and stock. In mastering this subject he must not only bear in mind the *cost* of his feed, but also the diet must be properly balanced, and, more than that, it must be appetizing, because even hogs will not eat and thrive on what they don't like. If the American public will get busy they can afford themselves some immediate relief along the line suggested, and if they will think more deeply perhaps certain benefits may be derived to compensate for the hardships of the present price level.

One thing is sure; we are not going to affect the cost of living *very much* by legislation, although it is a subject well

worthy of the intensive study and wise action by our legislators.

Methods for Lowering High Food Prices

In the main, however, there will be found three fundamental remedies: first, elimination of waste; second, increased production; third, more discriminate buying and use of food.

THE CONSUMER THE PRICE FIXER

Who fixes the price? Not the producer; not the wholesale middleman; not the retailer. The consumer has the *power to fix the price*. If he does not exercise it, to a reasonable extent at least, it is his own fault and probably due to a lack of realization that the remedy is largely in his own possession.

The people of this nation are suffering from the chronic habit of eating what they want regardless of adapting themselves daily to what the market affords. Last year, during the months of May and June, old potatoes sold for considerably less than the cost of production; now they are selling at high prices. Everybody seems to want them now. No one seemed to want them then.

Let the American public wake up! The Lord will coöperate with those who will help themselves and living costs will not be so much out of line.